two auditors for 4 months to conduct a test-audit of the Grant-in-aid accounts. When the work of preparation of the Account Rules was begun last year, it was thought that it could be finished within six months. The volume of the work that had to be turned out has, however, rendered it necessary to extend the term of the officer, and hence a provision of Rs. 1,250 has been made for about four months of the coming year, when it is expected that the work would be finished.

A sum of over four lakhs of rupees is being spent every year as grants to aided educational institutions, and this annual expenditure has been rapidly growing in recent years mainly on account of the large increase in the number of private schools and the liberal nature of our grant-in-aid rules. The existing system of grants-in-aid was of a nature that admitted of no substantial check in the Account Office except the budget check and the mere verification of the arithmetical calculations. This was true not only here but in British India as well, and one of the resolutions passed at the last session of the Audit Officers' Conference was on the question of grants in aid which ran thus :—'Where expenditure from a grant-in-aid fell within the audit of the Accountant-Generals, it was their duty to be assured either by a complete or test-audit that the conditions of the grant were fulfilled' The duty of seeing whether the conditions of the grant are fulfilled rests primarily with the Head of the Department by whom the grant-in-aid institution is controlled, but the above resolution makes it a duty of the Account Department also to have a test audit or super-check of these charges by a reference to the original departmental records. The grant-in-aid bills alone exceed 12,000 a year, and it will not be possible for the normal Local Audit staff to conduct a complete audit of these without permanent additions. A staff of two auditors is proposed temporarily to try the experiment for a period of four months and hence the provision of Rs. 320. The question of bringing the accounts under permanent periodical audit is proposed to be decided on the results disclosed by the test-audit.

Police.—When introducing the budget estimate last year, I have had occasion to observe on the lump provision made for the appointment of a special staff for the control of the bus traffic and the issue of brake certificates. The necessary staff has accordingly been appointed and provision is made therefor in the coming year as well. It is also proposed to open a Police Station at the Hill Palace and the executive force is, therefore, proposed to be strengthened by an Inspector and two Head Constables for the purpose.

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